

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

BRANDY MILLHOUSE,

Plaintiff,

vs.

Case No. 12-cv-12172
HON. GEORGE CARAM STEEH

CONSUMER PORTFOLIO SERVICES, INC.,
a foreign corporation,

Defendant.

_____/

ORDER TO SHOW CAUSE BY JUNE 18, 2012

Plaintiff, Brandy Millhouse, filed a complaint in the Wayne County Circuit Court for the State of Michigan on April 23, 2012, alleging various state law claims against defendant, Consumer Portfolio Services, Inc., a foreign corporation. Defendant removed this suit to the United States District Court for the Eastern District of Michigan pursuant to 28 U.S.C. § 1441. Federal jurisdiction is premised solely upon diversity jurisdiction. 28 U.S.C. § 1332.

District courts have original jurisdiction over civil actions between citizens of different States where the matter in controversy exceeds the sum or value of \$75,000.00, exclusive of interest and costs. 28 U.S.C. § 1332(a)(1). Defendant states that plaintiff is a resident of the State of Michigan, while defendant is a California corporation with its principal place of business in Irvine, California.

For purposes of federal diversity jurisdiction, a corporation is deemed a citizen of any State by which it has been incorporated and the State where it has its principal place of business. 28 U.S.C. § 1332(c)(1). As to the alleged amount in controversy, "[i]n a federal diversity action, the amount alleged in the complaint will suffice unless it appears to a legal

certainty that the plaintiff cannot claim the jurisdictional amount." Klepper v. First American Bank, 916 F.2d 337, 340 (6th Cir. 1990) (citing St. Paul Mercury Indem. Co. v. Red Cab Co., 303 U.S. 283, 288-89 (1938)).

Defendant alleges that plaintiff seeks damages in excess of \$75,000.00, including attorney's fees and costs. However, to satisfy 28 U.S.C. § 1332(a), the amount in controversy must exceed the sum of \$75,000.00, exclusive of interest and costs. See 28 U.S.C. § 1332(a) (emphasis added). Plaintiff's complaint claims an amount in controversy in excess of \$25,000.00 for alleged violations of the Michigan Collection Practices Act ("MCPA"). See MICH. COMP. LAWS § 445.251 et seq. The MCPA provides for a fine of not more than \$5,000 for the first willful violation. See MICH. COMP. LAWS § 445.256.

Accordingly,

Plaintiff is hereby ORDERED to show cause in a writing not to exceed five pages, filed on or before June 18, 2012, why this lawsuit should not be dismissed for lack of federal diversity subject matter jurisdiction in the absence of allegations of an amount in controversy in excess of \$75,000.00. Failure to show cause by June 18, 2012 will result in the dismissal of this lawsuit without prejudice.

SO ORDERED.

Dated: May 29, 2012

S/George Caram Steeh
GEORGE CARAM STEEH
UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

Copies of this Order were served upon attorneys of record on
May 29, 2012, by electronic and/or ordinary mail.

S/Josephine Chaffee
Deputy Clerk